**Statement for the record of**

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**to the**

**PRACTICING PHYSICIANS ADVISORY COUNCIL**

**RE: National Provider Identifier Outreach and Implementation**

**August 22, 2005**

The Medical Group Management Association (MGMA) appreciates the opportunity to submit this statement to the Practicing Physicians Advisory Council (PPAC) regarding the implementation of the National Provider Identifier (NPI). It is critical that the government, in concert with the health care community, develop a comprehensive implementation and outreach strategy in order to avoid unnecessary costs, delays and disruptions.

MGMA, founded in 1926, is the nation's principal voice for medical group practice. MGMA's 19,500 members manage and lead some 11,500 health care organizations in which more than 240,000 physicians practice. Our individual members, who include practice managers, clinic administrators and physician executives, work on a daily basis to ensure that the financial and administrative mechanisms within group practices operate efficiently so physician time and resources can be focused on patient care. As such, MGMA members are uniquely qualified to assess the direct impact of the NPI enumeration process on the delivery of quality health care services.

The transition from the current system of proprietary provider numbers to the NPI will be expensive for all health care organizations. In these times of escalating health care costs, our nation cannot afford to repeat the experience of the Health Insurance Portability and Accountability Act (HIPAA) Transactions and Code Sets (TCS) implementation with its high level of uncertainty, protracted deployment and excessive costs. Therefore, in an effort to improve the NPI deployment process, please consider the following concerns and recommendations:

**Bulk enumeration to begin as quickly as possible**

In order for medical practices to begin testing for NPI implementation, they must have the NPIs for their providers. The Centers for Medicare & Medicaid Services (CMS) has indicated that providers will have the capability of utilizing electronic file transfer (EFT) to enumerate all providers within their organization. For group practices, this would significantly reduce the amount of effort required to submit the required data and would streamline the process for the organization. However, the EFT process has been delayed by CMS.

In addition, although the use of the NPI in standard transactions will not be required until May 2007, health plans that convert their systems prior to that date may begin mandating the submission of the NPI before May 2007. *MGMA recommends that the PPAC urge CMS to move forward with the EFT enumeration option as quickly as possible in an effort to avoid implementation difficulties.*

**Staggered implementation dates**

One of the critical lessons learned from the implementation of the HIPAA TCS rule addresses the compliance timeline. The medical community learned that when an entire industry moves toward a single compliance date, delays and difficulties are inevitable. In fact, CMS announced on August 4 that they will end their "contingency plan" for the electronic claim in October 2005; fully two years after the original compliance date. In order to avoid providers, clearinghouses and health plans to focus on a single date, and thus leaving no time for testing, *MGMA recommends that the PPAC urge CMS to consider a staggered NPI roll out*. Such a compliance timeline would require clearinghouses and health plans to accept the NPI by May 2007, and providers required to submit the NPI at some point afterwards (perhaps May 2008). This additional time would allow providers the opportunity to modify their practice management and billing software, and test their systems with their clearinghouses and health plans, thus avoiding rejected claims and reducing the negative impact on medical practice revenue streams.

**Provider enumeration database**

The National Plan and Provider Enumeration System (NPPES) will be the "warehouse" where provider enumeration data is stored. Some of the data submitted by providers to the NPPES will be of a sensitive nature, including non-NPI identification numbers. MGMA has concerns that unauthorized individuals could gain access to this information. In this unfortunate era of identity theft, it is critical that CMS (and its NPPES subcontractors) maintain the appropriate level of security. However, at the same time, the NPPES must be accessible by authorized individuals in a timely manner to facilitate health care transactions.

In addition, CMS should provide immediate guidance on the following issues:

- Clarify the definition of NPI "subparts;"
- Provide direction on what data is considered unique when processing a request for an additional NPI subpart (e.g., location only, taxonomy code only, taxonomy code and location); and
- Identify federal program enumeration requirements as defined in regulations other than HIPAA, along with Medicare Fiscal Intermediary and Medicare Carrier variations.

*Therefore, MGMA recommends that PPAC work with CMS to ensure the integrity of NPPES security measures and clarify the issues as identified above.*

**Provider outreach and education**

Another lesson learned from the HIPAA TCS experience was that the lack of adequate provider outreach and communication resulted in a protracted migration to the new standard. *MGMA encourages the PPAC to compel CMS to be more aggressive in communicating to providers.* This communication should emphasize the importance of this new identification system and the fact that is has been mandated by law. More importantly, the provider outreach must also convey the steps providers are required to take in order to acquire the NPI, update their computer software and test with their trading partners. *MGMA encourages the PPAC and CMS to work directly with provider trade associations, medical specialty groups and state medical societies to ensure that a consistent message is communicated.*

**Conclusion**

MGMA appreciates PPAC's efforts to address group practice concerns in NPI deployment. We look forward to working with PPAC and CMS to improve the NPI enumeration and implementation process.